WELCOME TO THE TEAM

Becky Padilla joins the Summerlin office as Receptionist. Becky is originally from Utah and has worked in the loan and banking industry for several years. Welcome, Becky!

Joselyn Quintero has transitioned from Receptionist to Clerk to assist the estate planning and probate departments in our Summerlin office. Joselyn has been with the firm since 2021 and we are so happy to have her.

Aida Miranda is our newest probate paralegal in the Summerlin office. She brings with her over 12 years of legal experience. Originally from the Philippines, Aida has called Las Vegas home for the last 15 years. We are excited to have her as part of the JB team!

contact us

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CLIENT FOCUS

Spring 2023

40th ANNIVERSARY

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THE CRITICAL IMPORTANCE OF FUNDING YOUR TRUST:

Avoiding Probate and Ensuring a Smooth Estate Administration

Many individuals create revocable trusts as part of their estate plan, intending to avoid probate, protect their privacy, and provide for a smooth transition of assets upon their death. However, simply creating a trust is not enough. Properly funding the trust with your assets is a crucial step that is often overlooked.

The Unfortunate Reality of an Unfunded Trust

Our firm recently met with a man who found himself in a difficult situation. His mother had created a trust and specifically listed several bank accounts and safe deposit boxes in the Trust Agreement. When his mother passed away, he assumed his role as the successor trustee and went to the banks to withdraw the funds and distribute them to the named beneficiaries. To his surprise, the banks refused to release the funds to him. Although his mother had named the accounts in her trust, she had not retitled the accounts in the name of the trust or listed the trust as the pay on death beneficiary. Consequently, the bank accounts were not actually trust property. Simply naming assets in a trust agreement does not automatically make them trust property.

This is a particularly unfortunate situation because one of the main purposes of creating a revocable trust is probate avoidance. Despite her efforts to avoid this very thing, this man's deceased mother will still have her estate pass through probate.

The Importance of Funding Your Trust

This case highlights the importance of not only creating a trust, but also ensuring it is properly funded with your assets. Funding your trust means transferring your assets into the trust by changing the title or ownership of those assets. By doing so, you enable your successor trustee to manage and distribute the assets according to the terms of the trust without the need for probate.

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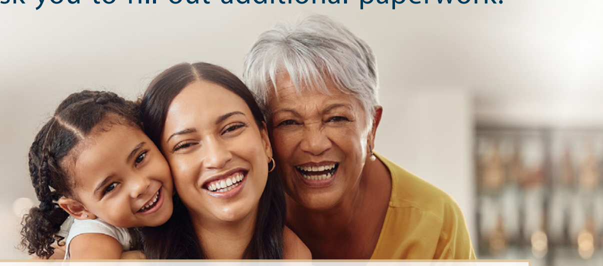
How to Fund Your Trust with Commonly Held Assets

1 Real property: To fund your trust with real property, you need to execute and record a new deed that transfers the property from your name to the trust's name. Please be advised that if real property owned by your trust is ever refinanced, the lender most likely transferred the property back into your individual name and you will now need to deed the property back into the trust.

2 Checking and savings accounts: To transfer these accounts to your trust, visit your financial institution and request to retitle the accounts in the trust's name. Alternatively, you can list the trust as the pay on death beneficiary, which allows the assets to transfer to the trust upon your passing. They will likely require a copy of your trust certificate.

3 Safe deposit boxes: Visit the financial institution and request to retitle the box in the name of the trust. Then, make an inventory of the box's contents, and indicate in the trust document that the contents are trust property.

4 Brokerage accounts: Contact your brokerage firm to retitle your account in the name of the trust. They may require a copy of your trust certificate and may ask you to fill out additional paperwork.



Funding your trust is a critical step in ensuring your estate plan works as intended. By properly transferring your assets to the trust, you can avoid the cost, time, and hassle of probate, while providing for a smooth administration of your estate. Contact the attorneys at Jeffrey Burr, Ltd. to ensure your trust is effectively funded and to avoid the unfortunate situation faced by the man and his mother in the story above.

FDIC COVERAGE SUMMARY:

Making Sure Your Money is Insured

Given the recent developments in the banking industry and the current state of the nation's economy, many individuals are beginning to wonder whether the money held at their banks is insured and to what extent in the event of a bank failure. The Federal Deposit Insurance Corporation (FDIC) protects bank customers by insuring up to $250,000 per depositor, per FDIC-insured bank, per ownership category. Detailed information regarding specific account coverage can be found on the FDIC website. The following is a brief summary of several types of current coverage available to account holders of FDIC-insured banks. Clients should check with their individual bank to ensure all FDIC requirements for their specific accounts are met.

Individual Accounts: An individual account is insured up to $250,000 per depositor per bank. If a parent has formed a custodial account for a child, the account is also insured up to $250,000.

Retirement Accounts: Some retirement accounts, like Individual Retirement Accounts (IRAs) and self-directed contribution plan accounts, are insured up to $250,000 per depositor per insured bank. All covered retirement accounts owned by the same person at the same bank are added together and insured up to $250,000.

Joint Accounts: Qualifying joint accounts are insured up to $250,000 per each person owning the account. A qualifying joint account must be owned by more than one person having equal withdrawal rights, such as tenants by the entirety, joint tenants with rights of survivorship, tenants in common, etc. Each co-owner's shares of every joint account at the same insured bank are added together and insured up to $250,000.

Formal Revocable Trusts: These are trusts that are typically created for estate planning purposes, such as revocable Living Trusts or Family Trusts. In general, revocable trusts are insured up to $250,000 per qualifying beneficiary, up to a total of five (5) beneficiaries. Among other requirements, to qualify, the beneficiaries must be natural persons (human beings), an IRS-qualifying charitable organization, or an IRS-qualifying non-profit entity. Different rules may apply if there are more than five beneficiaries.

Informal Revocable Trusts: These types of accounts include Totten Trust accounts, Pay on Death Accounts (POD), and In Trust For accounts (ITF). Informal revocable trusts are insured up to $250,000 per qualifying beneficiary, up to a total of five (5) beneficiaries. To qualify, among other requirements, the beneficiaries must be natural persons (human beings), an IRS-qualifying charitable organization, or an IRS-qualifying non-profit entity.

Irrevocable Trusts: As long as certain requirements are met, each beneficiary's non-contingent interest is insured up to $250,000. However, insurance for Irrevocable trusts is often more complex, as irrevocable trusts often provide contingencies before a beneficiary can receive their interest in the trust. Therefore, an irrevocable trust account is usually limited to a total of $250,000 of insurance coverage.

Thus, as noted above, the FDIC provides several forms of insurance protection for FDIC-insured bank account holders. It is important to understand not only the extent of your personal coverage, but also how that coverage can be maximized to best protect you and your assets.

Revocable and Irrevocable Trust Rule Change Effective April 1, 2024: The FDIC recently approved changes, which become effective April 1, 2024, to the deposit insurance rules for revocable trust accounts (including formal trusts, POD/ITF), irrevocable trust accounts, and mortgage servicing accounts. A deposit owner's trust deposits will be insured up to $250,000 for each of the trust beneficiaries, not to exceed five. This will provide for a maximum amount of deposit insurance coverage of $1,250,000 per owner, per insured depository institution for trust deposits. For most trust depositors (those with less than $1,250,000), the FDIC expects the coverage levels to be unchanged.

However, the new rule may reduce coverage for those depositors who have placed more than $1,250,000 per owner in trust deposits at one insured institution. The new rule combines the revocable and irrevocable trust account categories into one insurance category, eliminates some complex rules, and utilizes a simple insurance calculation.

HAPPENINGS

JEFFREY BURR CELEBRATES 40 YEARS.

40 years is quite an accomplishment–the firm would not be here without our awesome attorneys and staff and clients like you–THANK YOU!

Jeff started his own practice in 1983 downtown at 428 S. 4th Street, renting office space from (then attorney) Harry Reid. Jeff opened his office with one secretary and a word processor with a printer that printed one trust in 45 minutes. Prior to opening his own practice, Jeff worked as a tax accountant for Deloitte. Jeff chose to practice estate planning and probate law because it involved helping families financially and generationally.

St. Jude's Ranch for Children
A Community of Hope

Rebecca Haines, Esq. joins St. Jude's Board as a Director.

St. Jude's Ranch for Children is a nonprofit organization dedicated to providing a safe and nurturing home for abused, abandoned, and neglected children and youth. The organization is based out of Boulder City, Nevada, and has been serving children and families since 1967.

St. Jude's Ranch for Children offers a variety of services to help children heal and thrive, including residential housing, foster care and adoption services, counseling and therapy, and education and life skills training. The organization is committed to empowering children and families to break the cycle of abuse and build a brighter future.